

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2221 – SB 2565

March 28, 2018

**SUMMARY OF ORIGINAL BILL:** Requires the Commissioner of the Department of Health (DOH) to study issues related to responses by health insurance entities and healthcare providers to the implementation of the Tennessee Prescription Safety Act of 2016, Chapter 1002 of the Public Acts of 2016. Requires the Commissioner to report findings and recommendations to the Health Committee of the House of Representatives and the Health and Welfare Committee of the Senate on or before January 15, 2019.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (015752):** Deletes all language after the enacting clause. Requires the Department of Health (DOH), no later than July 31, 2018, and at least annually thereafter, to provide a summary of a healthcare practitioner's prescribing history for the prior calendar year to the healthcare practitioner, if the healthcare practitioner has a unique DEA number and, according to the database, prescribed a controlled substance in the prior calendar year. Requires the summary to compare the amount of controlled substances prescribed by the healthcare practitioner relative to amounts prescribed by other healthcare practitioners in the same specialty and other healthcare practitioners in the same geographic region. Declares that all documents created and communications made will be confidential and will not be considered to be a public record.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$72,000/One-Time  
\$120,000/Recurring**

Assumptions for the bill as amended:

- Based on information provided by the DOH, the proposed legislation cannot be accommodated within existing resources. The Controlled Substance Monitoring Database (CSMD) would need to be updated in order to allow the DOH to develop provider report cards and compare prescribers with their peers by specialty.
- The one-time increase in state expenditures associated with the updates to the CSMD is estimated to be \$72,000.
- The DOH will require a database analyst to write code and a web designer to build an interface to accommodate the provisions of the proposed legislation.

HB 2221 – SB 2565

- Strategic Technology Solutions (STS) will perform the work associated with the database analyst and web designer and such work will not result in a net increase in state expenditures.
- The DOH will require additional server space resulting in a recurring increase in state expenditures estimated to be \$120,000 (\$10,000 x 12 months).
- According to the DOH, the initial deadline of July 31, 2018, will not be met as the Department will require more time to accomplish the requirements of the legislation.
- Any impact to the Board of Pharmacy is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 4-29-121, all health related boards are required to be self-supporting over a two-year period. The Board of Pharmacy had an annual surplus of \$885,058 in FY15-16, an annual surplus of \$620,117 in FY16-17, and a cumulative reserve balance of \$2,601,038 on June 30, 2017.

## **IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Increase Business Revenue - \$72,000/One-Time  
\$120,000/Recurring**

**Increase Business Expenditures – Less than \$72,000/One-Time  
Less than \$120,000/Recurring**

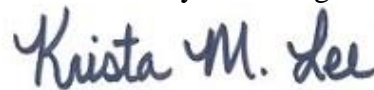
**Jobs Impact – Not Significant**

Assumptions for the bill as amended:

- The CSMD vendor will experience a one-time increase in business revenue for updating the database estimated to be \$72,000.
- The business providing server space for the DOH will experience a recurring increase in business revenue estimated to be \$120,000.
- For companies to retain solvency, any increased expenditures will be less than the amount of increased revenue collected.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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